No. 95-26

IN THE

# Supreme Court of the United States

October Term, 1995

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HERBERT MARKMAN AND POSITEK, INC.,
*Petitioners,*

v.

WESTVIEW INSTRUMENTS, INC. AND
ALTHON ENTERPRISES, INC,
*Respondents.*

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**On Petition for a Writ Of Certiorari to the United States Court Of Appeals For The Federal Circuit**

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## BRIEF OF AMICUS CURIAE ASSOCIATION OF TRIAL LAWYERS OF AMERICA IN SUPPORT OF THE PETITIONER

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### IDENTITY AND INTEREST OF *AMICUS CURIAE*

The Association of Trial Lawyers of America ["ATLA"] is a voluntary national bar association of approximately 50,000 attorneys who are engaged primarily in protecting the rights of individual citizens, including inventors. ATLA is committed to safeguarding the constitutionally guaranteed right to trial by jury. Letters of consent of the parties have been filed with the Court.

## REASONS FOR GRANTING THE WRIT

### I. THE USE OF A COMPLEXITY EXCEPTION DEPRIVES INVENTORS OF THEIR SEVENTH AMENDMENT DERIVED JURY VERDICT.

In deciding that "in a case tried to a jury, [a] court has the power *and obligation* to construe as a matter of law the meaning of language used in [a patent] claim," App. 30a (emphasis added), the Federal Circuit has created an exception to recognized appellate and trial level standards used to review the decisions of juries in patent infringement suits.

Such an exception, according to the Federal Circuit, is required in order to arrive at "true and consistent" interpretations of the scope of patent claims. App. 28a. In other quarters, this has been called a "complexity exception." *Eleventh Annual Judicial Conference of the United States Court of Appeals for the Federal Circuit*, 153 F.R.D. 177, 236-52 (1993)(Panel Discussion: "To What Extent Must Juries Be Used in Patent Cases?").

Left unsaid by the Federal Circuit is the fact that the exception is also required in order to justify the court's ousting of Markman's Seventh Amendment derived jury verdict. Without such an exception, as Petitioners point out, the Federal Circuit has conceded that a patentee has a Seventh Amendment right to a jury trial in patent infringement suits. Pet. at 10.

The policy underlying the exception the Federal Circuit now attempts to impose on a nation of inventors was foretold in *In re Lockwood*, 50 F.3d 966 (Fed. Cir. 1995), *cert. granted sub nom., American Airlines v. Lockwood*, 115 S. Ct. 2274 (1995). The dissent in *Lockwood*, part of the majority in *Markman* below, stated "that the denomination of an issue as



one of law represents a policy decision that a judge is more appropriate than a jury to make the decision." 50 F.3d at 990 (Nies, J., dissenting, joined by Judges Archer and Plager).[1] Here, by stating that a court has an "obligation to construe as a matter of law the meaning of language used in a patent claim" in a jury trial, App. 30a, when such a meaning may require a judge to resolve factual disputes, all of which is subject to de novo appellate review, App. 20a, the Federal Circuit has made the policy decision that factual disputes are too complex for any jury.

This determination violates the Seventh Amendment. This Court has stated, in the context of a jury trial, that such an exception can exist only if Congress creates it, "by entrusting the resolution of certain disputes," in this case, patent infringement and validity, "to an administrative agency or to a specialized court of equity whose functioning is incompatible with the use of a jury." *Granfinaciera v. Nordberg*, 492 U.S. 33, 42 n.4 (1989)(bankruptcy case). *Cf., Ross v. Bernhardt*, 396 U.S. 531 (1970)(White, J.)(right to trial by jury extend to stockholder derivative suit). Congress has not taken this step with respect to patent infringement suits; the Federal Circuit cannot enact such an exception on its own.

Amicus suggests that these principles apply regardless of whether the exception is applied at the trial court level or, as in this case, at the appellate level.

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[1] A complexity exception has been urged by business interests. An industry panel composed primarily of representatives of large U.S. corporations has called for "public debate over the appropriateness of the use of juries to resolve questions of patent validity or infringement" and, more specifically, "the extent to which a complexity exception can and should be applied to deny a demand for a jury trial." Advisory Commission on Patent Law Reform, A Report to the Secretary of Commerce 107-10 (Aug. 1992).

Even if it were true that the testimony put forth by Petitioner Markman involved complex issues and could therefore be deemed onerous, the Seventh Amendment does not permit the ousting of Markman's jury verdict on that basis. This Court has said emphatically that the sometimes "onerous nature of the protection" afforded by the Seventh Amendment is "no license for contracting the right secured by the Amendment." *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 346 (1979)(Rehnquist, J. dissenting).

This case points to an almost desperate desire on the part of the majority below to impose its policy goals of enacting its own type of complexity exception where none is needed. The technology embodied in Markman's patent, i.e. the dry cleaning industry and the word "inventory," are hardly complex.

The use of such an exception has a most acute effect on the individual who retains ownership of a patent[2] and seeks to enforce patent rights in a district court. It impermissibly deprives the owner of a jury trial or verdict by delaying or foreclosing entirely a final resolution of his or her rights. As was pointed out by Judge Mayer, concurring in the judgment, the upshot of the court's holding relegates Markman's trial to "a charade, for notwithstanding any trial level activity [the court] will do pretty much what it wants under its de novo retrial." App. 68a. Awaiting such a retrial, the individual inventor may languish in bankruptcy, poor health, or be forced to forego the right to an appeal altogether.

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[2]Twenty percent of all utility patents issued by the United States Patent Office since 1963, which amounts to 481,459 patents, are presently owned by individual inventors. *All Technologies Report, January 1963-June 1995*, U.S. Patent and Trademark Office, Office of Information Products Development/TAF Program Part A1 at 1-2.



Amicus urges this Court to grant review in this case to protect an inventor's right to a Seventh Amendment derived jury verdict.

## II. THE FEDERAL CIRCUIT IS NOT EMPOWERED TO CREATE A COMPLEXITY EXCEPTION AS A STANDARD OF APPELLATE REVIEW.

The majority below first states that it is bound to accord findings of fact by a jury "substantial deference" on appellate review. App. 20a. Nevertheless, the majority holds that in this case such findings must be decided by a judge *and* are a matter of law. "[T]he court has the power *and obligation* to construe as a matter of law the meaning of language used in the patent claim," App. 30a, subject to its de novo review. App. 20a.

By so doing, the court holds that when in its opinion complex factual issues arise, it can ignore established appellate standards of review of jury-decided disputes by evoking a complexity exception. This not only violates the right to a Seventh Amendment derived jury verdict, but is contrary to Congressional intent.

By subjecting disputed factual issues underlying a determination of the scope of a patent to de novo review, the Federal Circuit fulfills the fears of those who objected to its very creation.

> In 1975, the Hruska Commission recommended against [a specialized patent] court and, in the course of so doing catalogued the various arguments advanced against its creation, to wit: . . . (2) judges of a specialized court, given their continued response and great expertise in a single field of law, might impose their own views of policy even where the scope of

> review under the applicable law is supposed to be more limited.

Statement of Donald R. Dunner, *Addendum To Hearings Before the Subcommittee on Improvements in Judicial Machinery* 55, Serial No. 96-24 (1979)(Testimony on the Federal Courts Improvement Act).

Sixteen years later, the Federal Circuit now attempts to resolve disputed issues of fact through the use of their de novo scope of review.

During the same Congressional hearings sixteen years ago, Donald R. Dunner, an esteemed member of the patent bar, was asked to comment on the possibility that:

> [The] presumed expertise of [a] single court of appeals would encourage attempts to retry cases at the appellate level and encourage the court to substitute its judgment for that of the trial court, thereby changing the standards and level of review.

*Id.* at 58. He replied:

> To the extent the Court of Appeals for the Federal Circuit is reviewing questions of fact from a lower court, that review will be subject to the same restrictions as is review by all Federal appellate courts of district court findings of fact. . . . If the point here is intended to suggest that judges of a specialist court who are exposed more than other judges to a given field of law will pervert the law without regard to what it should be, the foundation for this notion is at best questionable and, in any event, whatever the court does is subject to Supreme Court control to keep it in toe.

*Id.*



Amicus suggests that just such "control" is now needed. Clearly it was not Congress' intent to empower the Federal Circuit to resolve factual issues, complex or otherwise, in bench trials.

This Court questioned the rationale underlying such a complexity exception standard of appellate review when it stated that:

> Assuming a patent case so difficult as to provoke a frank admission of judicial uncertainty, one might ask what reason there is to expect that a second district judge or court of appeals would be able to decide the case more accurately.

*Blonder-Tongue Labs v. University Foundation*, 402 U.S. 313, 331-32 (1971). Amicus suggests that the above remarks are applicable to jury trials as well.

## CONCLUSION

For these reasons, Amicus urges the Court to grant the Petition for a Writ of Certiorari in this case.

Respectfully submitted,

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